

THE DERWENT INITIATIVE
A company limited by guarantee

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

Company Registration Number 06725535
Registered Charity Number 1126951

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THE DERWENT INITIATIVE

A company limited by guarantee

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016

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THE DERWENT INITIATIVE
(A company limited by guarantee)

TRUSTEES ANNUAL REPORT

For the year ended 31 December 2016

The trustees for The Derwent Initiative have pleasure in presenting their report and financial statements of the charity for the year ended 31 December 2016.

1. Reference and administrative details of the charity, its trustees and advisors

Registered charity name	The Derwent Initiative
Charity number	1126951
Company number	06725535
Registered office	The Old Casino 1-4 Forth Lane Newcastle upon Tyne NE1 5HX
Trustees and Members of the Board	Ms LVW Armstrong (Chair) Mrs SM Winfield OBE Ms CJ Sowerby MH Brown
Company Secretary	Ms DM Jenkins MBE
Independent Examiner	Doug Maltman FMAAT Ellison Services Limited Higham House Higham Place Newcastle upon Tyne NE1 8AF
Bankers	The Co-operative Bank Norfolk House 84-86 Grey Street Newcastle upon Tyne

2. Achievements and Performance

2016 was another busy year for the TDI team. Public interest in sexual offending has been heightened by a succession of big grooming prosecutions and other high-profile cases. The increase in acts of terrorism has made everybody aware of the need to be alert and to report concerns, and we are exploring whether the skills and knowledge participants acquire through our training could be made more explicitly transferable to other areas of risk, without diminishing our focus on sexual risk.

Activity

Our Leisurewatch membership programme has now been running for more than 15 years, and around 15,000 people at almost 400 individual sites have been trained. Aimed at making public sites safer, especially in relation to sexual offending, the programme has two phases, initial set-up and ongoing maintenance. The first phase includes site audits to assess risk; training for front-line staff to understand patterns of behaviour and increase observational skills and confidence in reporting and challenging concerns; support for managers in triaging and reporting incidents or concerns; setting up a referral system to ensure that relevant information gets through to the specialist units of the police, and branding for the site to demonstrate that staff have been trained to look out for risk. The maintenance phase offers annual top-up and refresher training; regular newsletters; the referral system; telephone support for members in related areas, and a programme of mystery visits to check the efficacy of the scheme.

In 2016 Leisurewatch continued to be valued by our members, and although we lost some sites because of closure or transfer of ownership, numbers remained about the same as new members joined. We were delighted to welcome the Capital and Regional group of shopping centres into membership, training staff in malls in the Southern half of England. Despite major local government reorganisation we increased the number of member sites in Northern Ireland, where Leisurewatch remains very popular. In England, for the first time, a local authority is making membership of Leisurewatch a requirement as it puts the delivery of its leisure services out to tender. This is a significant milestone for us, which we hope to see replicated by other authorities wanting to increase safety in leisure facilities on their patch. During the year, we trained 1043 people in 127 training sessions, had 218 sites in membership and received 63 referrals - an increase on previous years.

On other fronts, we delivered tailored training to HMP Forest Bank, and to Coastline Housing in Redruth, and began to review our approach to specialist training. Having delivered training in the field for more than twenty years, we are finding that organisations are increasingly valuing our ability to build programmes meeting specific needs. Our trainers are highly experienced and adept at working with staff at all levels, in generic and specialist roles. During the year, we developed a number of new sessions, ranging from risk management to motivational interviewing, and in 2017 have been moving to a more modular approach.

More time was spent developing an adapted version of Leisurewatch for large churches and cathedrals, although the anticipated pilot was further delayed by staffing changes in the proposed venue and also by the implementation of a new Church of England safeguarding programme which has taken precedence for diocesan staff. We don't know whether we will manage to get our programme off the ground in 2017, although the idea is still well received by senior CofE officials.

Effort put into improving the website and following up interest from potential clients has begun to pay off towards the latter half of the year, with a number of bookings for work with organisations new to us made for early 2017.

People

The core team remained small, with three part time staff making up a complement of 1.4 full time equivalents. Lin Green was successful in 'upselling' to existing Leisurewatch clients, and Matt Jenkins provided an excellent research resource as well as managing corporate matters. Brian Herron in Northern Ireland and Sue Kennedy and Mike Way in England delivered all our training, with uniformly high-scoring feedback from participants. Together the team worked to upgrade and enhance existing training programmes, and to develop new materials in response to requests from a variety of organisations.

On the board, we said goodbye to Catherine Sowerby, who had made a great contribution to TDI over two years, but was moving to take on new professional challenges. To our delight, Dave Gardiner, who had been an advisory member of the board for many years in his role as a senior leader with the Probation Service, decided to jump the fence and become one of our Associates delivering training with effect from 2017. Whilst this left us with a gap on the board, his experience and credibility make him a great addition to our staff team.

We are grateful to Sue Winfield and Mike Brown for their work as trustees. Mike has worked closely with Matt to ensure that our finances stay in shape, and we greatly appreciate his wisdom and expertise.

Finances

Once again, all our activity was directly associated with our charitable objectives, and no expenditure was made on fund-raising. We continued to strive for self-sufficiency, aiming to cover as much as possible of our core costs with the income from Leisurewatch and tailored training. We still need to seek some grant funding to help us work on projects which may not generate income. Inevitably, the context in which we work is tough, with public sector cuts continuing to affect training budgets, and the margin of contribution from our training is very slim. As a charity, our interest is in spreading the effect of our work as widely as possible, and we do not look to make substantial profits. However, our training work will only be sustainable in the long run if clients recognise its value and continue to pay for the full cost of delivery, rather than expecting it to be subsidised.

During 2016 we met our target for bringing in new Leisurewatch members, but this growth was unfortunately countered by the unexpected loss of several relatively large members due to changes in site ownership. We had also hoped to bring several pieces of work with housing and care providers into 2016 which in fact have delivered in early 2017, so that we also underperformed on this front in year. Since we matched lower income with lower expenditure, we were able to avoid real financial upset, but it was disappointing to be unable, yet again, to gather even the smallest of reserves.

We are extremely grateful to the grant funders who made it possible for us not only to survive but to continue working on projects and developments not linked to direct income generation. In 2016 these were:

The Hadrian Trust
The W.A. Handley Trust
The Barbour Foundation
The Council for Social Concern
The William Leech Foundation

3. Plans for future periods

As we prepare these accounts, 2017 is showing a growth in interest from specialist organisations, and we are working on a number of challenging projects. We are looking to strengthen the core team so that we can devote a little more effort to promoting our work. The financial environment is no easier than it was in 2016, and we are likely to continue to be dependent to some extent on the support of charitable grants if we want to retain our flexibility and responsiveness.

The issue of sexual offending has never been more topical, with a huge amount of public interest and concern around what seems like an unending stream of high-profile cases. Despite the existence of many very large charities in the field, we believe that TDI continues to occupy a unique niche, engaging lay people in reducing risk without vigilantism and helping professionals to manage complex situations in a highly sensitive field.

We will continue to strive to do our work and to balance the books. It would be a bonus to achieve our ambition of a small reserve at the end of 2017, but we will be even more content if we are able to look back

4. Statement of Trustee Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

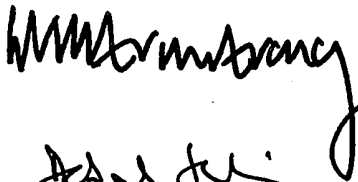
Charity SORP requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of incoming resources and application of resources, including the receipts and payments of the charity for that year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 11th SEP 2017 and signed on their behalf by:

Ms LVW Armstrong
Chair



Ms DM Jenkins MBE
CEO



THE DERWENT INITIATIVE

A company limited by guarantee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 31 December 2016

I report on the financial statements of The Derwent Initiative for the year ended 31 December 2016, which are set out on pages 6 to 14

Respective responsibilities of trustees and examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for the year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act), and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in, any material respect, the requirements:


- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met ; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Doug Maltman FMAAT
Ellison Services Limited
Higham House
Higham Place
Newcastle upon Tyne
NE1 8AF

Date


13.09.2017

THE DERWENT INITIATIVE

A company limited by guarantee

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING THE INCOME & EXPENDITURE ACCOUNT)

For the year ended 31 December 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<u>Incoming resources</u>					
From generated funds					
Grant income	6	9,250	-	9,250	28,616
Income from charitable activities	7	74,265	-	74,265	78,640
Investment income (bank interest)	8	8	-	8	-
Total incoming resources		83,523	-	83,523	107,256
<u>Resources expended</u>					
Charitable activities	9	92,268	-	92,268	91,663
Governance costs	10	1,000	-	1,000	1,800
Total resources expended		93,268	-	93,268	93,463
Net income/(expenditure) for the year		(9,745)	-	(9,745)	13,793
<u>Total funds brought forward</u>		8,073	-	8,073	(5,720)
Total funds carried forward		(1,672)	-	(1,672)	8,073

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

The notes on pages 8 to 14 form an integral part of these accounts.

THE DERWENT INITIATIVE

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Company Registration Number 06725535

BALANCE SHEET

As at 31 December 2016

	Note	£	Total 2016 £	£	Total 2015 £
Fixed assets					
Tangible assets	15		371		524
Total fixed assets			371		524
Current assets					
Debtors and prepayments	16	24,015		28,563	
Cash at bank and in hand	17	32,510		20,634	
Total current assets		56,525		49,197	
Less:					
Creditors: amounts falling due within one year	18	(58,567)		(41,648)	
Net current assets			(2,042)		7,549
Total assets less current liabilities			(1,672)		8,073
Funds of the charity					
Unrestricted income funds			(1,672)		8,073
Restricted income funds			-		-
Funds of the charity			(1,672)		8,073

The trustees are satisfied that the charitable company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The Trustees acknowledge their responsibilities for:

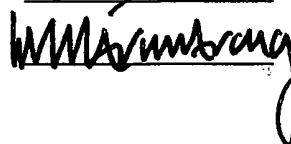
- (i) ensuring that the charitable company keeps proper accounting records which comply with section 380 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its surplus or deficit for the financial year in accordance with the requirements of the Act relating to financial statements so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on pages 8 to 14 form an integral part of these accounts.

These financial statements were approved by the Board on:

and are signed on its behalf by: Ms LVW Armstrong
Chair

11.11.17


THE DERWENT INITIATIVE

A company limited by guarantee

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1 Accounting Policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2 Basis of accounting

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Derwent Initiative meets the definition of a public benefit entity under FRS 102.

3 Income

3.1 Recognition of income

Income is recognised when the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is more likely than not that the resources will be received and the monetary value can be measured with sufficient reliability.

3.2 Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by FRS102 SORP or FRS102.

3.3 Grants and donations

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance or provision of other specified service is deferred until the criteria of income recognition are met.

3.4 Donated goods and services

Donated goods are measured at fair value (the amount for which the asset could be exchanged) unless impractical to do so.

Donated services and facilities are included in the SoFA when received at the value of the gift to the charity provided that the value of the gift can be measured reliably. Donated services and facilities that are consumed immediately are recognised as income with the equivalent amount recognised as an expense under the appropriate heading in the SoFA.

3.5 Volunteer help

The value of volunteer help received is not included in the accounts but is described in the trustees' annual report.

THE DERWENT INITIATIVE

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NOTES TO THE FINANCIAL STATEMENTS

3.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

3.7 Income from membership subscriptions

Membership subscriptions received in the nature of a gift are recognised in donations and legacies.

Membership subscriptions which gives a member the right to buy services or other benefits are recognised as income earned from the provision of goods and services as income from charitable activities.

3.8 Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investment and any gain or loss resulting from revaluing investments to market value at the end of the year.

3.9 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charities' work or for specific projects being undertaken by the charity.

4 Expenditure and liabilities

4.1 Liability recognition

Liabilities are recognised when it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

4.2 Governance and support costs

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

4.3 Irrecoverable VAT

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

4.4 Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts.

4.5 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS

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5 Assets

5.1 Tangible fixed assets for use by the charity

Individual fixed assets costing £200 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Equipment	33% Straight line
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5.2 Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are valued at initially at cost and subsequently at fair value (their market value) at the year end. The same treatment is applied to unlisted investments unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

Investments held for resale or pending their sale and cash and cash equivalents with a maturity date of less than 1 year are treated as current asset investments.

THE DERWENT INITIATIVE

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

Analysis of incoming resources

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
6 Grant income				
The W A Handley Trust	2,250	-	2,250	2,250
Esmee Fairbairn Foundation	-	-	-	25,000
Barbour Foundation	500	-	500	1,000
Council for Social Concern	4,000	-	4,000	-
Hadrian Trust	1,500	-	1,500	-
The William Leech Foundation	1,000	-	1,000	-
Donations	-	-	-	366
	<u>9,250</u>	<u>-</u>	<u>9,250</u>	<u>28,616</u>
7 Income from charitable activities				
Leisurewatch New Business	17,015	-	17,015	11,900
Leisurewatch - Membership	52,410	-	52,410	59,240
Specialist Training	4,840	-	4,840	7,500
	<u>74,265</u>	<u>-</u>	<u>74,265</u>	<u>78,640</u>
8 Investment income				
Bank interest	8	-	8	-
	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>

THE DERWENT INITIATIVE

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

Analysis of resources expended

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
9 Charitable activities				
<u>Direct costs</u>				
Wages and Salaries	28,326	-	28,326	21,720
Consultancy - Kindling Limited (see note 24)	11,550	-	11,550	18,105
Training and Consultancy	26,159	-	26,159	19,350
	<u>66,035</u>	<u>-</u>	<u>66,035</u>	<u>59,175</u>
<u>Support costs</u>				
Travelling, Accommodation and Subsistence	234	-	234	5,312
Rent, Rates and Water	15,308	-	15,308	15,309
Insurance	1,649	-	1,649	1,575
IT and Communications	1,752	-	1,752	3,568
Payroll processing Costs	250	-	250	308
Printing, Postage and Stationery	4,120	-	4,120	3,920
Room Hire, Refreshments and Catering	288	-	288	649
Equipment	266	-	266	-
Office Cleaning	1,455	-	1,455	1,378
Advertising	-	-	-	25
Other Office Costs	493	-	493	13
Repairs and Maintenance	-	-	-	278
Professional Fees	265	-	265	-
Depreciation	153	-	153	153
	<u>26,233</u>	<u>-</u>	<u>26,233</u>	<u>32,488</u>
10 Governance costs				
Independent examiner's fee	900	-	900	1,800
Petty cash write off	100	-	100	-
	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,800</u>
11 Trustee expenses				
No trustees were paid expenses during the period. (2015 £nil)				
			2016 £	2015 £
12 Fees for examination of the accounts				
Independent examiner's fees for reporting on the accounts			900	1,800
Other fees paid to the examiner			-	-
			<u>900</u>	<u>1,800</u>
13 Staff costs and emoluments				
Gross wages, salaries and benefits in kind			28,326	21,720
Employer's National Insurance costs			3,000	-
Employer's pension costs			-	-
			<u>31,326</u>	<u>21,720</u>

THE DERWENT INITIATIVE

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

Employer's National Insurance costs of £3,000 were not incurred in the accounts ending 31 December 2016 as HMRC applies a rebate scheme for costs incurred upto a maximum of £3,000.

No employee received remuneration above £60,000

14 Average number of full-time equivalent employees for the year

The parts of the charity in which the employee's work Charitable activities

2016 Number	2015 Number
1.0	0.0
1.0	0.0

15 Tangible fixed assets

Cost

Balance brought forward

Additions

Disposals

Balance carried forward

Depreciation

Balance brought forward

Depreciation charge for year

Disposals

Balance carried forward

Net book value

Brought forward

Carried forward

Equipment	Total
£	£
4,348	4,348
-	-
-	-
4,348	4,348
3,824	3,824
153	153
-	-
3,977	3,977
524	524
371	371

16 Debtors and prepayments (receivable within 1 year)

	2016 £	2015 £
Trade debtors	22,800	26,999
Other debtors	1,000	1,387
Prepayments and accrued income	215	177
	24,015	28,563

17 Bank and cash balances

	2016 £	2015 £
Bank current account	31,330	20,534
Payroll-holding-account	1,180	-
Cash in hand	-	100
	32,510	20,634

THE DERWENT INITIATIVE

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

18 Creditors and accruals (payable within 1 year)

	2016 £	2015 £
PAYE and social security	134	139
Other creditors	-	-
Accruals		
Independent examination of accounts	900	1,800
Other accruals	2,743	729
Deferred income		
Leisurewatch Membership	54,790	38,980
	<u>58,567</u>	<u>41,648</u>

19 Movements of major funds

	Fund balances brought forward £	Incoming resources £	Resources expended £	Transfers £	Fund balances carried forward £
Unrestricted fund					
General funds	8,073	83,523	(93,268)	-	(1,672)
Totals	8,073	83,523	(93,268)	-	(1,672)

20 Company limited by guarantee

(a) The company is limited by guarantee and its governing document is its memorandum and articles of association

(b) The trustees hold no shares in the company but each trustee, as a member, is a guarantor of the company, to an amount not exceeding £1, in the event of the winding up of the company.

21 Capital commitments

(a) At 31 December 2016, the charity had no capital commitments (2015 -£nil)

22 Ultimate controlling party

(a) The trustees consider that the charitable company has no other ultimate controlling party other than the board of trustees themselves.

23 Related party transactions

(a) Ms D M Jenkins, the Chief Executive and Company Secretary of the charity, is also a director of the company Kindling Limited. During the year Kindling Limited invoiced the Derwent Initiative £11,550 for fees related to the post of Chief Executive (2015 £18,105). £1,980 remained unpaid at the year end and is included in accruals (2015 £Nil).

(b) No other transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities.